

R12-138
RESOLUTION OF THE BOROUGH OF
MERCHANTVILLE, COUNTY OF CAMDEN, STATE OF
NEW JERSEY APPROVING THE APPLICATION OF
CITADEL WELLWOOD URBAN RENEWAL LLC FOR A
LONG TERM TAX EXEMPTION AGREEMENT,
PURSUANT TO N.J.S.A. 40A:20-8 ET SEQ.

WHEREAS, Citadel Wellwood Urban Renewal LLC (the “Sponsor”) proposes to extensively rehabilitate a certain fifty-four (54) unit apartment complex (the “Project”) within the Borough of Merchantville (the “Borough”), on a site described as Lots 2 and 3, Block 9 as shown on the Official Tax Map of the Borough of Merchantville, and commonly known as 606 West Maple Avenue, Merchantville, New Jersey; and

WHEREAS, the Project will qualify for a tax exemption and/or abatement under the Long Term Tax Exemption Law N.J.S.A. 40A:20-8, et seq; and

WHEREAS, the Sponsor has presented an application to the Borough Council for a Long Term Tax Exemption pursuant to N.J.S.A. 40A:20-8, et seq., a copy of which is attached hereto as Exhibit “A” and made a part hereof, and

WHEREAS, the Borough Council of the Borough of Merchantville deems it in the best interests of the Borough to grant a Long Term Tax Exemption under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-8 et seq., to Citadel Wellwood Urban Renewal LLC, relative to its extensive rehabilitation of the fifty-four (54) unit apartment complex located at 606 West Maple Avenue in the Borough of Merchantville;

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Merchantville, as follows:

A. The Council authorizes the execution of an agreement substantially in the form attached hereto as Exhibit “B” and made a part hereof authorizing an in lieu tax payment of seven (7.00) percent of the gross shelter rent of the Project, subject to the provisions of Section 5 of the Agreement; and

B. The Council hereby authorizes and directs the Mayor of the Borough to execute, on behalf of the Borough, the agreement attached hereto as Exhibit “B”; and

C. The Council understands and agrees that the revenue projections set forth in Exhibit “A” are estimates and the actual payments in lieu of taxes to be paid by the Sponsor to the Borough shall be determined pursuant to the Agreement; and

D. The Council understands that the Sponsor has formed an urban renewal entity limited liability company, and that the Borough may enter into the payment in lieu of taxes agreement with such urban renewal entity limited liability company,

E. The Council authorizes Frank M. North, Mayor of the Borough of Merchantville, and Denise Brouse, Borough Clerk of the Borough of Merchantville, to execute the attached Financial Agreement on behalf of the Borough of Merchantville.

F. The Municipal Clerk is hereby authorized to forward a certified true copy of this Ordinance to Citadel Wellwood Urban Renewal LLC, c/o DePetro Real Estate Organization, LLC, 201 Union Lane, Suite B, Brielle, New Jersey 08730. The Municipal Clerk is hereby authorized to forward a certified true copy of this Ordinance, and the Financial Agreement implementing it, to both the Municipal Tax Assessor and the Director of the Division of Local Government Services.

THE BOROUGH OF MERCHANTVILLE

BY: _____
FRANK M. NORTH, MAYOR

ATTEST:

DENISE BROUSE, BOROUGH CLERK

I, **DENISE BROUSE**, Borough Clerk of the Borough of Merchantville, do hereby certify the foregoing to be a true and correct copy of the Resolution adopted by Borough Council at a meeting of said Borough Council on _____, and that said Resolution passed by a majority vote of the members of Borough Council.

DENISE BROUSE, BOROUGH CLERK

EXHIBIT A

606 WEST MAPLE AVENUE, MERCHANTVILLE AGREEMENT FOR PAYMENT IN LIEU OF TAXES

Projected Annual Gross Rents	\$460,152
Pro Forma Vacancy at 5%	(\$23,008)
Commercial (Laundry) Income	\$10,000
Project Revenues	\$447,144
Payment in Lieu Percentage - Residential	7.00%
Payment Lieu Percentage – Commercial	15.00%
Annual Projected Payment in Lieu Amount	\$32,100

Minimum Guaranteed Annual Payments in Lieu of Taxes

Minimum PILOT Payment – 3% Growth

Year 1	\$	32,100
Year 2	\$	33,063
Year 3	\$	34,055
Year 4	\$	35,077
Year 5	\$	36,129
Year 6	\$	37,213
Year 7	\$	38,329
Year 8	\$	39,479
Year 9	\$	40,663
Year 10	\$	41,883
Year 11	\$	43,140
Year 12	\$	44,434
Year 13	\$	45,767
Year 14	\$	47,140
Year 15	\$	48,554
Year 16	\$	50,011
Year 17	\$	51,511

Year 18	\$	53,057
Year 19	\$	54,648
Year 20	\$	56,288
Year 21	\$	57,976
Year 22	\$	59,716
Year 23	\$	61,507
Year 24	\$	63,352
Year 25	\$	65,253
Year 26	\$	67,210
Year 27	\$	69,227
Year 28	\$	71,304
Year 29	\$	73,443
Year 30	\$	75,646

EXHIBIT B

FINANCIAL AGREEMENT